

Message Text

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PAGE 01 ROME 01824 071452Z

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C O N F I D E N T I A L ROME 1824

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E.O. 11652: GDS

TAGS: PINT, IT

SUBJECT: SOME VIEWS OF GIANNI AGNELLI

1. GIANNI AGNELLI (FIAT) CALLED ON THE AMBASSADOR TO DISCUSS RECENT DOMESTIC ITALIAN POLITICAL DEVELOPMENTS. HIGHLIGHTS WERE AS FOLLOWS:

2. THE RECENT ITALIAN INDUSTRIAL CONFEDERATION (CONFINDUSTRIA) ACCORD WITH THE UNIONS ON COST OF LIVING ADJUSTMENTS AND OTHER FRINGE ITEMS HAS BEEN CRITICIZED AS INFLATIONARY, ESPECIALLY BY THE REPUBLICANS (PRI) INCLUDING PRI LEADER LA MALFA. AGNELLI STOUTLY DEFENDS THE ACCORD, HOWEVER, ON THE STRAIGHTFORWARD GROUNDS THAT THE ALTERNATIVE WOULD HAVE BEEN CONFLICT WITH THE UNIONS, STRIKES AND, ULTIMATELY, HEAVY-HANDED MEDIATION BY THE GOI WHICH WOULD PROBABLY HAVE CONCEDED EVEN MORE. ACCORDING TO AGNELLI, THE CONFINDUSTRIA ACCORD IS NO WORSE THAN THE ALTERNATIVE, AND HAS THE ADVANTAGE OF PROVIDING AT LEAST SOME MEASURE OF LABOR PEACE AND GOOD WILL, WHICH THE ALTERNATIVE (INVOLVING GOI MEDIATION) WOULD NOT HAVE PRODUCED. (COMMENT: CONFINDUSTRIA'S PREVIOUS EXPERIENCE WITH GOI MEDIATION, PARTICULARLY THAT HANDLED BY COPPO AND/OR BERTOLDI, LENDS STRENGTH TO AGNELLI'S LOGIC.)

3. LABOR UNITY. AGNELLI SHOWED MUCH CONCERN WITH REGARD TO THE PROSPECT OF LABOR UNITY WHICH WOULD GIVE DE FACTO DOMINANCE TO THE COMMUNIST/SOCIALIST LED CGIL.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ROME 01824 071452Z

AGNELLI SAID ANY DEVELOPMENTS WHICH IN THIS WAY PUTS THE

UNIONS IN THE HANDS OF THE COMMUNISTS, WOULD LEAD IN A FEW YEARS TO COMMUNIST CONTROL OF ITALY.

4. HISTORIC COMPROMISE. SIMILARLY, A CHRISTIAN DEMOCRAT (DC) DEAL WITH THE COMMUNISTS (PCI) WOULD LEAD TO PCI CONTROL OF ITALY IN A MATTER OF A VERY FEW YEARS, PERHAPS TWO OR THREE.

5. REGIONAL ELECTIONS. AGNELLI DOWNPLAYED THE SPECULATION AND OPINION POLLS WHICH PREDICT LARGE LOSSES (5 PERCENT OR MORE) FOR THE CHRISTIAN DEMOCRATS AND LARGE GAINS (5 PERCENT OR MORE) FOR THE PCI. HE EXPECTS DC LOSSES AND PCI GAINS, BUT MORE IN LINE WITH THE TRADITIONAL OFF-YEAR PATTERNS, WHICH HAVE GENERALLY SEEN THE DC LOSE MARGINALLY IN LOCAL ELECTIONS, COMPARED TO THEIR PERFORMANCE IN NATIONAL ELECTIONS. AGNELLI FORESEES A SHIFT OF A PERCENTAGE POINT OR TWO FROM THE DC TO THE PCI, AND SOME GAINS ALSO FOR THE SOCIALISTS (PSI). ALTHOUGH THE SHIFTS MAY BE SMALL, AGNELLI NEVERTHELESS VIEWS THE PROSPECT WITH CONCERN. THE REGIONALS WILL CONSTITUTE THE FOURTH LOSS IN A ROW FOR FANFANI (THE DIVORCE REFERENDUM, THE SARDINIAN REGIONAL ELECTIONS, LOCAL ELECTIONS IN NOVEMBER 1974 IN AVELLINO AND THE LATO ADIGE, AND THE FORTHCOMING REGIONALS). THIS WILL MAKE THE PCI COCKY AND TRUCULENT, IN AGNELLI'S VIEW, AND MAY THEREFORE LEAD TO A BREAKDOWN IN THE PRESENT COALITION, AND EARLY NATIONAL ELECTIONS.

6. THE PSI. AGNELLI'S VIEWS ON THE PSI WERE VERY INTERESTING, PARTICULARLY IN VIEW OF PAST SUPPORT HE HAS CHanneled TO THAT PARTY. AGNELLI NOW CONSIDERS THE PSI "HOPELESS", WITH NO LEADERS OF STATURE AND NO CHANCE THAT THE PSI WILL RESPOND RESPONSIBLY TO THE COUNTRY'S NEEDS. OBVIOUSLY NO DEMOCRAT CAN PREFER THE COMMUNISTS, BUT AT LEAST ONE KNOWS WHERE THE PCI STANDS, AND ONE CAN DEAL WITH THE PCI AND EXPECT THEM TO DELIVER. NO ONE CAN EXPECT THE PSI TO MAKE A DEAL AND THEN ACTUALLY DELIVER.

7. COMMENT: AGNELLI OBVIOUSLY HAD MANY DISCOURAGING
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ROME 01824 071452Z

ITEMS ON HIS MIND. REPORTS FROM OTHER SOURCES HAVE ALSO NOTED AGNELLI'S CURRENT PESSIMISM. HOWEVER, HE DID NOT SEEM TO HAVE WRITTEN THE SITUATION OFF, AS SOME REPORTS HAVE INDICATED. AGNELLI SEEMS TO HAVE IDENTIFIED CLEARLY IN HIS OWN MIND THE THREATS, AND THE COURSES TO BE AVOIDED. HE GAVE THE IMPRESSION OF A MAN WHO IS STILL VERY MUCH IN THE FIGHT. VOLPE

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